



House of Representatives

General Assembly

File No. 197

February Session, 2014

Substitute House Bill No. 5055

House of Representatives, March 31, 2014

The Committee on Planning and Development reported through REP. ROJAS of the 9th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT ELIMINATING MUNICIPAL MANDATES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-33 of the 2014 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2015*):

4 (a) [Subject to the provisions of subsection (e) of this section, if] If
5 any property tax, or any installment thereof, laid by any city, town,
6 borough or other taxing district upon a registered motor vehicle or
7 snowmobile remains unpaid, the tax collector of such city, town,
8 borough or other taxing district shall notify the Commissioner of
9 Motor Vehicles of such delinquency in accordance with subsection (e)
10 of this section and guidelines and procedures established by the
11 commissioner. The commissioner shall not issue registration for such
12 motor vehicle or snowmobile for the next registration period if,
13 according to the commissioner's records, it is then owned by the
14 person against whom such tax has been assessed or by any person to

15 whom such vehicle has not been transferred by bona fide sale. Unless
16 notice has been received by the commissioner under the provisions of
17 section 14-33a, no such registration shall be issued until the
18 commissioner receives notification that the tax obligation has been
19 legally discharged; nor shall the commissioner register any other
20 motor vehicle, snowmobile, all-terrain vehicle or vessel in the name of
21 such person, except that the commissioner may continue to register
22 other vehicles owned by a leasing or rental firm licensed pursuant to
23 section 14-15, and may issue such registration to any private owner of
24 three or more paratransit vehicles in direct proportion to the
25 percentage of total tax due on such vehicles which has been paid and
26 notice of payment on which has been received. The Commissioner of
27 Motor Vehicles may immediately suspend or cancel all motor vehicle,
28 snowmobile, all-terrain vehicle or vessel registrations issued in the
29 name of any person (1) who has been reported as delinquent and
30 whose registration was renewed through an error or through the
31 production of false evidence that the delinquent tax on any motor
32 vehicle or snowmobile had been paid, or (2) who has been reported by
33 a tax collector as having paid a property tax on a motor vehicle or
34 snowmobile with a check which was dishonored by a bank and such
35 tax remains unpaid. Any person aggrieved by any action of the
36 commissioner under this section may appeal therefrom in the manner
37 provided in section 14-134. For the purposes of this subsection,
38 "paratransit vehicle" means a motor bus, taxicab or motor vehicle in
39 livery service operated under a certificate of convenience and necessity
40 issued by the Department of Transportation or by a transit district and
41 which is on call or demand or used for the transportation of
42 passengers for hire.

43 (b) Notwithstanding the provisions of subsection (a) of this section,
44 the Commissioner of Motor Vehicles, in consultation with the
45 Treasurer and the Secretary of the Office of Policy and Management,
46 may enter into an agreement with the tax collector of any city, town,
47 borough or other taxing district whereby the commissioner shall
48 collect any property tax or any installment thereof on a registered
49 motor vehicle which remains unpaid from any person against whom

50 such tax has been assessed who makes application for registration for
51 such motor vehicle. Each such agreement shall include a procedure for
52 the remission of taxes collected to the city, town, borough or other
53 taxing district, on a regular basis, and may provide that a fee be paid
54 by the city, town, borough or other taxing district to the commissioner
55 to cover any costs associated with the administration of the agreement.
56 In the event an agreement is in effect, the commissioner shall
57 immediately issue a registration for a motor vehicle owned by a person
58 against whom such tax has been assessed upon receipt of payment of
59 such tax and a service fee of two dollars, in addition to the fee
60 prescribed for the renewal of the registration.

61 (c) On and after March 1, 1989, any municipality may participate in
62 a program administered by the Commissioner of Motor Vehicles to
63 facilitate the payment of fines for parking violations. If any such
64 municipality elects to participate in such program, it shall provide for a
65 notice of violation to be served personally upon the operator of a
66 motor vehicle who is present at the time of service. If the operator is
67 not present, the notice shall be served upon the owner of the motor
68 vehicle by affixing notice to said vehicle in a conspicuous place. In the
69 case of any motor vehicle that is leased or rented by the owner, not
70 more than thirty days after the initial notice of a parking violation for
71 which a fine remains unpaid at such time, a second notice of violation
72 shall be mailed to the address of record of the owner leasing or renting
73 the motor vehicle to such operator. No fines or penalties shall accrue to
74 the owner of such rented or leased vehicle for the violation for a period
75 of sixty days after the second notice is mailed. Upon receipt of such
76 notification, the owner of such rented or leased vehicle may notify the
77 municipality as to whom the lessee was at the time of such issuance of
78 the notice of violation, the lessee's address, motor vehicle operator's
79 license number and state of issuance, and the municipality shall issue
80 such notice of violation to such lessee. A participating municipality
81 shall notify the commissioner of every owner of a registered motor
82 vehicle who has unpaid fines for more than five parking violations
83 committed within such municipality on and after March 1, 1989. Upon
84 receipt of such notification, the commissioner shall not issue or renew

85 the motor vehicle registration of such person until he receives
86 notification from such municipality that the delinquent fines have been
87 paid.

88 (d) The provisions of subsection (c) of this section shall not apply to
89 any person, firm or corporation engaged in the business of leasing or
90 renting motor vehicles without drivers in this state with respect to any
91 motor vehicle which is leased or rented. The commissioner shall adopt
92 regulations, in accordance with chapter 54, to implement the
93 provisions of subsection (c) of this section.

94 (e) [On and after July 1, 2004, each city and town shall make an
95 annual payment to the Commissioner of Motor Vehicles, in an amount
96 determined by the Secretary of the Office of Policy and Management,
97 in order to participate in the program administered by the Department
98 of Motor Vehicles pursuant to subsection (a) of this section. Such
99 amount shall be each city or town's proportionate cost of the
100 administration of said program, to be determined as follows: The
101 number obtained by multiplying said program's administrative cost by
102 a fraction the numerator of which shall be the city or town's population
103 and the denominator of which shall be the population of the state. As
104 used in this section, "population" means the number of persons in the
105 city or town according to the most recent estimate made, pursuant to
106 section 19a-2a, by the Department of Public Health. The commissioner
107 shall, on or before July fifteenth, annually, certify to said secretary the
108 commissioner's cost to administer said program. The secretary shall,
109 on or before August first, annually, notify the chief executive officer of
110 each city and town of the amount such city or town is required to pay
111 to the commissioner and such amount shall be payable not later than
112 September first following said notification date. All amounts received
113 by the commissioner pursuant to this subsection shall be deposited
114 into the General Fund. If a city or town fails to annually pay its
115 proportionate share of said program's administrative cost, the] The tax
116 collector of a city, town, borough or other taxing district shall notify
117 the Commissioner of Motor Vehicles monthly of any outstanding
118 delinquent property tax payment or installment thereof for a registered

119 motor vehicle or snowmobile. Such notice shall be given on or after the
120 first day of each month but not later than the fifteenth day. In any
121 month in which a tax collector fails to provide such notice to the
122 commissioner, the commissioner shall not be required to deny the
123 issuance of a registration, pursuant to subsection (a) of this section, to
124 the person against whom such tax has been assessed by said city or
125 town, or by a borough or other taxing district located therein.

126 (f) Any city, town, borough or other taxing district that notifies the
127 commissioner of (1) a delinquency in accordance with subsection (a) of
128 this section, or (2) an owner of a registered motor vehicle who has
129 unpaid fines for more than five parking violations in accordance with
130 subsection (c) of this section, may participate in a program to issue
131 temporary registrations for passenger motor vehicles on behalf of the
132 commissioner to persons whose registrations have been denied, and
133 who subsequently make full payment to the city, town, borough or
134 other taxing district for the amounts owed under said subsections. A
135 participating city, town, borough or other taxing district shall issue
136 such temporary registrations in accordance with subsection (i) of
137 section 14-12 and shall retain the fees authorized in subsection (n) of
138 section 14-49 for such registrations. The commissioner may adopt
139 regulations in accordance with chapter 54 to carry out the provisions of
140 this subsection.

141 Sec. 2. (NEW) (*Effective July 1, 2014*) (a) Notwithstanding any
142 provision of the general statutes, any municipal charter, any special act
143 or any home rule ordinance, any municipality required to effect a
144 revaluation of real property under section 12-62 of the general statutes,
145 for the 2013 assessment year shall not be required to effect a
146 revaluation prior to the 2015 assessment year, provided any decision
147 not to implement a revaluation pursuant to this subsection is approved
148 by the legislative body of such municipality. The rate maker, as
149 defined in section 12-131 of the general statutes, in any municipality
150 that elects, pursuant to this subsection, not to implement a revaluation
151 may prepare new rate bills under the provisions of chapter 204 of the
152 general statutes in order to carry out the provisions of this subsection.

153 Any municipality that elects, pursuant to this subsection, not to
154 implement a revaluation for the assessment years commencing
155 October 1, 2013, or October 1, 2014, shall implement a revaluation not
156 later than the first day of October five years after the assessment date
157 on which such deferred revaluation becomes effective.

158 (b) Notwithstanding any provision of the general statutes, any
159 municipal charter, any special act or any home rule ordinance, any
160 municipality that is currently in the process of phasing in a real
161 property assessment increase, or a portion of such increase, may
162 suspend such phase-in for a period of time, but not later than the 2015
163 assessment year, provided any decision to suspend a phase-in
164 pursuant to this subsection is approved by the legislative body of such
165 municipality. The rate maker, as defined in section 12-131 of the
166 general statutes, in any municipality that elects, pursuant to this
167 subsection, to suspend a phase-in may prepare new rate bills under the
168 provisions of chapter 204 of the general statutes in order to carry out
169 the provisions of this subsection.

170 (c) The assessor or board of assessors of any municipality that elects,
171 pursuant to subsection (a) of this section, not to implement a
172 revaluation of real property for the 2013 assessment year or, pursuant
173 to subsection (b) of this section, to suspend a phase-in of an assessment
174 increase for the 2013 assessment year, shall prepare a revised grand list
175 for said assessment year, which shall reflect the assessments of real
176 estate according to the grand list in effect for the assessment year
177 commencing October 1, 2012, subject only to transfers of ownership,
178 additions for new construction and reductions for demolitions. Such
179 assessor shall send notice of any increase in the valuation of real estate
180 over the valuation of such real estate as of October 1, 2012, or notice of
181 the valuation of any real estate that is on the grand list to be effective
182 for the October 1, 2013, assessment year, but was not on such list in the
183 prior assessment year, to the last-known address of the person whose
184 valuation is so affected, and such person shall have the right to appeal
185 such increase or valuation during the next regular session of the board
186 of assessment appeals at which real estate appeals may be heard.

187 Sec. 3. Section 7-163b of the general statutes is repealed. (*Effective*
188 *July 1, 2014*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	14-33
Sec. 2	<i>July 1, 2014</i>	New section
Sec. 3	<i>July 1, 2014</i>	Repealer section

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Revenue Serv., Dept.	GF - Revenue Loss	None	Approximately \$800,000

Municipal Impact:

Municipalities	Effect	FY 15 \$	FY 16 \$
All Municipalities	Savings	None	Approximately \$800,000 Cumulatively

Explanation

The bill eliminates the requirement that municipalities pay to participate in the Department of Motor Vehicles' delinquent property tax enforcement program. This results in a General Fund revenue loss and a corresponding cumulative savings to municipalities, of approximately \$800,000 beginning in FY 16.

The bill also allows municipalities to delay certain scheduled revaluations or phase-ins of assessment increases from previous revaluations. This defers any costs associated with a revaluation and future changes in municipal grand lists resulting from revaluations.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5055*****AN ACT ELIMINATING MUNICIPAL MANDATES.*****SUMMARY:**

This bill authorizes municipalities to delay a revaluation scheduled for the 2013 assessment year for up to two years until the 2015 assessment year. It allows a similar delay of up to two years for municipalities phasing-in assessment increases from an earlier revaluation.

The bill (1) eliminates the requirement that municipalities pay to participate in the Department of Motor Vehicles' (DMV) delinquent property tax enforcement program and (2) requires municipalities participating in this program to report property tax delinquencies to the DMV between the first and 15th of each month.

The bill also repeals a requirement that municipalities annually report to the Connecticut Siting Council on the location, type, and height of existing telecommunications towers and existing and proposed antennae subject to local jurisdiction.

EFFECTIVE DATE: July 1, 2014, except for the provision concerning the DMV program, which is effective July 1, 2015.

DELAYING REVALUATION OR PHASED-IN REVALUATION

The bill allows a municipality, by vote of its legislative body, to delay, for up to two years, a revaluation scheduled to be implemented in the 2013 assessment year. Municipalities opting to delay their 2013 revaluations must implement their next revaluation within five years after the date the delayed revaluation takes effect (e.g., if a 2013 assessment year revaluation is delayed until the 2015 assessment year, the next revaluation must occur during or before the 2020 assessment year). The bill also allows a municipality, by vote of its legislative

body, to suspend, for up to two years, a current revaluation phase-in. Presumably, the existing phase-in schedule for a municipality that adopts a one- or two-year suspension may resume after the suspension at the point where the suspension started.

The bill requires the assessor or board of assessors in a municipality that delays a revaluation or suspends a phase-in to prepare a revised grand list for 2013 that reflects the assessments for the 2012 assessment year, subject only to changes in ownership, new construction, and demolitions. The assessor must send to the affected individual's last-known address, notice of (1) any increase in the valuation of real estate over its 2012 valuation or (2) for new real estate, the valuation that will appear on the 2013 grand list. The individual can appeal the increase or valuation during the next regular session of the board of assessment appeals at which appeals may be heard. The bill allows the individual or entity authorized by law to prepare rate bills in a municipality to prepare new rate bills.

DELINQUENT PROPERTY TAX ENFORCEMENT PROGRAM

The DMV's delinquent property tax enforcement program prevents individuals with delinquent motor vehicle or snowmobile property taxes from registering a motor vehicle, snowmobile, all-terrain vehicle, or vessel. Under current law, to participate in this program, municipalities must (1) notify the DMV when a taxpayer is delinquent on his or her motor vehicle or snowmobile property taxes and (2) pay annually their proportionate share, based on population, of the cost to administer the program. The bill eliminates the requirement that municipalities pay to participate.

The bill also specifies that municipal tax collectors must notify the DMV monthly, between the first and 15th, of delinquent property taxes. Under the bill, during a month in which a tax collector fails to provide this information, the DMV is not required to deny registrations or registration renewals. By law, municipal tax collectors must immediately notify the DMV when a taxpayer previously reported as delinquent is no longer delinquent (CGS § 14-33a).

BACKGROUND***Revaluation***

The law requires municipalities to tax property based on its fair market value as of October 1 annually. Municipalities begin taxing property based on those values during the next fiscal year. For example, municipalities that revalued property as of October 1, 2012 had to tax it based on those values in the fiscal year beginning July 1, 2013.

Because market values change over time, the law requires municipalities to revalue all property at least once every five years. The law allows municipalities to phase-in some or all of an increase or decrease in a property's assessed value over up to five years.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 15 Nay 0 (03/12/2014)